

Answers of Metro Animal Services – concerning the Audit of Metro Animal Services - Animal Adoption Agency of September 1, 2009

- 1. The report stated the contract/agreement between MAS and AAA was invalid because individual city departments do not have the authority to enter into a contract on behalf of metro government. To what extent was the Administration, Office of the County Attorney and Risk Management involved before entering into this agreement?**

The administration, Office of the County Attorney and Risk Management were not involved in the process because it was an *agreement*, which set guidelines on how the partnership was to be formed. Starting with an agreement allowed both MAS and AAA to evaluate the process and fine tune the details. In the event that MAS and AAA would have decided to continue the partnership beyond the original agreement period and fortify such partnership with a formal contract, the above listed resources would have been consulted. **Is the agreement still being used?** No.

- 2. As it relates to AAA:**

- a. Why was AAA chosen as the test site?** AAA was chosen because it has a physical location which would lead to adoptions for a different demographic than what is experienced at MAS. For some residents in that area, MAS is entirely too far to drive for an adoption, and we felt that the location of AAA was more convenient.
- b. Were all “adoptable” animals sent to AAA and what was the fee structure?** Some adoptable animals were sent to AAA, while some remained at MAS. The original agreement stated that MAS and AAA would split the adoption fee (50/50) for each animal, and that AAA had the authorization to increase the adoption fee based on the market share of each animal. Minimum adoption fees were established in the agreement for healthy, adoptable animals.
- c. Has the “satellite policy” been completed at this time? If so, what does it include?**
No.
- d. What are your plans for the future for this type arrangement with this organization or any other organization (profit or non-profit)?** There are no plans for such an agreement at this time.

- 3. On page 10, you referred to the AAA as a nonprofit organization. Did you obtain a copy of the IRS determination letter on their exempt status before finalizing this agreement?** For anyone to obtain an Animal Welfare Group Permit they must first provide all the required paperwork to the clerks.
- 4. The review found the city was exposed to risk because the Metro Risk Management Division did not review the agreement and animal services employees were allowed to operate a transport vehicle without the proper commercial driver’s license. What steps have you taken to remedy these two issues?** Metro Risk Management will be given the opportunity to oversee all future agreements and contracts if they so desire. Regarding SPOT, two MAS employees have proper CDL licenses. An additional 7 employees are in the process of obtaining a CDL.

5. The Office of Internal Audit identified six areas of inadequate internal control (General Administration, Inventory Verification, Revenue Data Limitation, Revenue Verification, Revenue Documentation and Potential Conflict of Interest).

a. When will each of these areas be corrected?

Metro Animal Services is conducting an internal review based upon the apparent intentional misplacement, concealment, and/or destruction of public records related to the AAA partnership. An amendment of the MAS response to the Audit will be provided when this review is concluded.